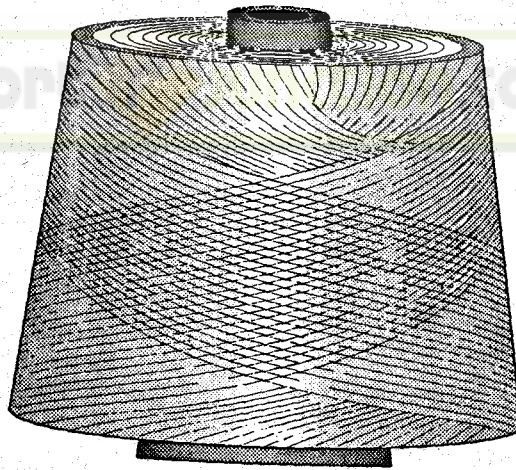


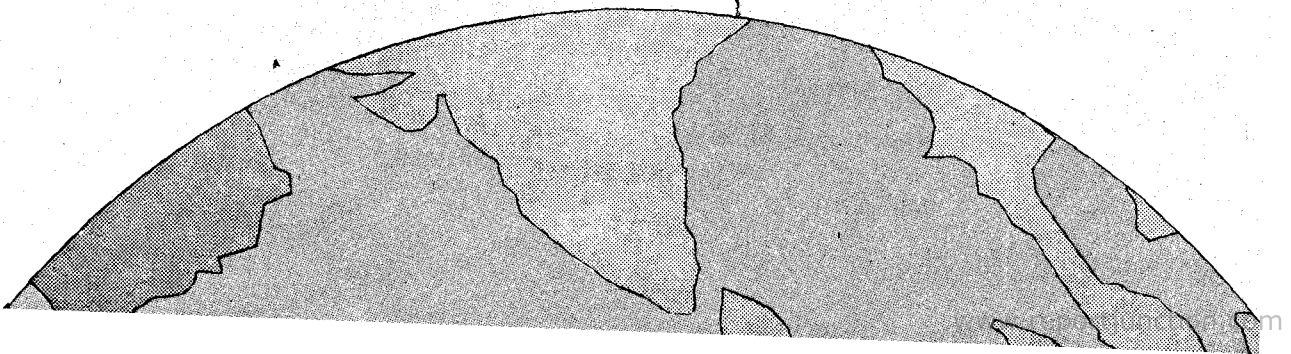
Tamilnadu

JAI BHARATH

Mills Ltd.



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BOARD OF DIRECTORS

Shri K.G.Appusamy (Chairman)
 Shri T.R.Dhinakaran (Managing Director)
 Shri Justice.G.Ramanujam (Retd)
 Shri J.Sree Rajasegaran
 Shri P.R.Prabhakar
 Shri Chandrasinh Hansraj Mirani
 Shri T.R.Varadarajan
 Shri Pawan Kumar Kedia
 Shri T.R.Kannan
 Shri Subodh Santhilal Chokshi
 Shri T.R.S.Vijairam
 Shri G.Thanabalan (IDBI Nominee)

HONY., PRESIDENT

Shri D.Senthil Kumar

COMPANY SECRETARY

Shri S.R. BALASUBRAMANIAN

AUDITORS

M/s.Krishnan & Raman
 Chartered Accountants, Rajapalayam

M/s. K.Subramanian & Co.,
 Chartered Accountants, Madurai

BANKERS : State Bank of India

FINANCIAL INSTITUTION

Industrial Development Bank of India

REGISTERED OFFICE

212, Ramasamy Nagar,
 Aruppukottai - 626 159

CORPORATE OFFICE

T-1, IIIrd Floor, JVL Paradise,
 49, New Avadi Road, Kilpauk, Chennai - 600 010.

SHARE TRANSFER

Being Done In-House at Corporate Office,
 T-1, IIIrd Floor, JVL Paradise, No.49,
 New Avadi Road, Kilpauk, Chennai - 600 010.

FACTORY

Malayankulam Village, Sankarankovil,
 Thirunelveli District - 627 756.

Carpet Sweep
 For TAMILNADU JAI BHARATH MILLS LTD.

COMPANY SECRETARY

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as Copies of the Report will not be distributed at the Meeting

ஆக்கம் இழந்தேமென் (று) அல்லாவார் ஊக்கம்
 ஒருவந்தம் கைத்துடை யார்.

-திருக்குறள்

He who possesses the wealth of zeal will not be miserable,
 even if he loses everything else.

-Thirukkural

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Name & Address of the Stock Exchange

1. **MADRAS STOCK EXCHANGE LTD**
(Regional Stock Exchange)
Post Box No. 183
Second Line Beach
Chennai - 600 001.
2. **MUMBAI STOCK EXCHANGE**
Phiroze Jeejabhoy Towers
Dalai Street
Fort, Mumbai - 21
3. **AHMEDABAD STOCK EXCHANGE**
Kamadhenu Complex,
Near Polytechnic
Panjarapole
Ahmedabad - 15

NOTICE OF THE 10TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS.

Notice is hereby given that the 10th Annual General Meeting of the Shareholders of the company will be held on Thursday the 29th July, 1999 at 4.00 P.M., at Sri Jayavilas Subbaraj Kalyana Mandapam, Sri Meenakshi Chockanathar Swami Temple Campus, Tiruchuzhi Road, Aruppukottai - 626 101 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 1999 and the Audited Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. T.R. Kannan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri. P.R. Prabhakar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Shri. T.R.S.Vijairam who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Shri. J. Sree Rajasegaran who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors of the company and fix their remuneration.

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself. Such Proxy need not be a member of the company. Proxies, in order to be effective, must be received by the company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th July 1999 to 29th July 1999 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Members are requested to mail all their correspondences relating to share transfers to the Corporate Office of our company.

Place: Chennai

Date : 29th May 1999.

By order of the Board

T.R.Dhinakaran

Managing Director

JAI BHARATH

DIRECTORS' REPORT

To
The Members, Tamilnadu Jai Bharath Mills Ltd.,
Ladies and Gentlemen,

The Directors hereby present their Tenth Annual Report on the Business and Operations of the Company and the Financial Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 Rs.	1997-98 Rs.
Profit from Operations	1,15,57,326	3,78,69,862
Less: Depreciation	2,93,92,545	2,76,01,424
Profit (+)/Loss (-) after Depreciation	(-) 1,78,35,219	(+) 1,02,68,438
Less: Provision for Taxation	—	—
Profit (+)/Loss (-) after Taxation	(-) 1,78,35,219	(+) 1,02,68,438
Less: Previous Year Expenses for Pollution Control	(-) —	60,000
	(-) 1,78,35,219	(+) 1,02,08,438
Less: I.T. Paid relating to Assessment Year 1993-94 in excess of Provision	—	(-) 2,54,065
NET PROFIT(+)/LOSS(-)(-) 1,78,35,219	(+) 99,54,373	
Add: Balance of Loss as per last Balance Sheet	(-) 2,85,25,081	(-) 3,84,79,454
Balance of LOSS carried over to Next Year	(-) 4,63,60,300	(-) 2,85,25,081

TURNOVER:

The Company has achieved an overall Turnover of Rs.48.34 Crores during the period against turnover of Rs.39.07 Crores for the Previous Year. The C&F Realisation from the Direct Exports alone stands as Rs.43.20 Crores (FOB Rs.41.85 Cr.) during the period against Rs.36.56 Crores (FOB Rs.35.52 Cr.) for the previous year. Generally, the Volatility of Cotton Prices and Reduction in International Price for Cotton Yarn had a bearing on the Operative Results of Your Company.

DIVIDEND :

We regret the inability to declare any Dividend for the year 1998-99 in the absence of Profit.

FUTURE:

The Cotton price trends were not so-encouraging during the year and the continuous depressed trend in yarn price and the Increase in Cotton prices were the main causes for the net loss. As such, the reduction is due to fall in International Price for Cotton Yarn and cut throat competition from other Asian Countries whose currencies were devalued.

The future trends of Cotton Prices and Yarn realisation Rate shall decide the Operative results of the Company in the coming years too.

FIXED DEPOSIT:

There is no unclaimed Fixed Deposits remaining with the Company as on 31.03.1999.

PERSONNEL:

Particulars of Employees pursuant to the provisions of Sec.217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

Employees who were paid Remuneration in aggregate of Rs.6,00,000/- per annum. NIL.

Employees who were paid Rs.50,000/- or more per month in any part of this year. NIL

DIRECTORS:

Shri. T.R. Kannan, Shri. P.R. Prabhakar, Shri. T.R.S. Vijairam and Shri. J. Sree Rajasegaran are the Directors who retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS:

M/s.Krishnan & Raman,Rajapalayam and M/s.K.Subramanian & Co., Madurai, the Auditors of the Company hold Office till the conclusion of the Tenth Annual General Meeting and are recommended for re-appointment.

The notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and complete.

Particulars in respect of Small Scale Industries are being gathered.

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

Particulars required under Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988 as amended are furnished in the annexure.

YEAR 2000 COMPLIANCE (Y2K):-

The risk to the company due to Year 2000 bug is nil. The cost to address the company's Year 2000 issues are negligible. There is no need for any contingency plan.

ACKNOWLEDGEMENT:

Your Directors would like to, on behalf of the Company, thank the State Bank of India, Industrial Development Bank of India and various Government Agencies for their continued support. We thank our valued Shareholders, Fixed Deposit Holders and Customers for their contribution to the growth and would also like to place our recognition for the Employees for their overwhelming co-operation and Performance.

Place : Chennai
Date : 29th May, 1999.

For and on Behalf of the Board
T.R.Dhinakaran
Managing Director